ECON 239 – Business, Law and Economics
Fall 2014
Syllabus

Class meets: W 3–6 pm in Baker Hall 102
Instructor: David Warden
Office:
Office hours: By Appointment
Phone: 713-494-0225
E-mail: **dew1@rice.edu**

Required Text: *Principles of Law and Economics* by Cole & Grossman, 2d ed. 2011.

Prerequisites: ECON 201. Preferably be in your junior or senior year at Rice.

Course Description: This course covers the tools in law and economics that are used to characterize efficient laws, and will primarily focus on the substantive areas of property, tort, and contract law. Each year, one to two weeks of class will be devoted to applying those tools to analysis of additional areas of law, such as agency, criminal law, constitutional law, etc. The class is taught by examination of actual cases in the style of a first-year law school "Socratic method," thus, individual class participation is essential.

Attendance policy: You are expected to come to every class.

Office policy: Office hours will be scheduled by appointment as necessary. If your schedule makes it difficult to meet during the week, I will be happy to schedule to meet with you on a weekend.

Grading: Your grade is computed only as a function of your answers to exam questions and class participation, weighed as follows:

Midterm: 35%
Final: 45%
Class participation (oral quizzes): 20%

Numerical scores are translated into letter grades as follows: 97-100 A+, 93-96 A, 90-92 A-, 87-89 B+, 83-86 B, 80-82 B-, 77-79 C+, 73-76 C, 70-72 C-, 67-69 D+, 63-66 D, 60-62 D-, 0-59 F.

Make-ups: There will be no make-ups for missed exams (quizzes, midterm, or final).

Extra credit: There will be no extra credit assignments.

Reasonable accommodation statement: Any student with a documented disability needing academic adjustments or accommodations is requested to speak with me during the first two weeks of class. All discussions will remain confidential. Students with disabilities will need to also contact Disability Support Services in the Ley Student Center.

Any student with a disability requiring accommodations in this course is encouraged to contact me after class or during office hours. Additionally, students will need to contact Disability Support Services in the Ley Student Center.

If you have a documented disability that will impact your work in this class, please contact me to discuss your needs. Additionally, you will need to register with the Disability Support Services Office in the Ley Student Center.

Class Participation and Oral Quizzes: Class participation is essential and will include oral recitation that will count as quizzes on the material to be covered in that day's class. Failure to prepare for a class will make it very difficult to perform well in this phase of your evaluation. Obviously, to make class participation a part of the over-all performance evaluation will require noting attendance, and any unexcused absences will result in an automatic zero for that particular class.

Law school information: Here are two links to information that you may want to use if you have questions about law schools:
http://www.leiterrankings.com/
http://lawfirmaddict.blogspot.com/

TENTATIVE SCHEDULE
CG = Cole & Grossman, *Principles of Law & Economics*
Supplementary material will be assigned in class and/or posted on The Owl Space
*Potential student presentation material

1. **August 27:** Jurisprudence and common law. CG Ch 2 & 3. [Refer to Ch 1 for review of microeconomic concepts.]

2. **September 3:** Legal disputes and process, property rights/acquisition, and an economic theory of property. CG Ch 4. Legal research.
*How to use Westlaw and Lexis; information on Judges; *Butterfield v. Forrester; Davies v. Mann.*

3. **September 10:** How property rights are protected. CG Ch 5.
**Haslem v. Lockwood; Pierson v. Post; Flood v. Kuhn; Naab v. Nolan.*

4. **September 17:** More property and intellectual property. CG Ch 6.
** Vanna White v. Samsung; Fontainbleau Hotel v. Forty-Five Twenty-Five; Spur v. Del Webb; Boomer v. Atlantic Cement; Vincent v. Lake Erie.*

5. **September 24:** More property, limitations and takings. CG Ch 7.
**Poletown v. City of Detroit; Kelo v. City of New London.*

6. **October 1:** [Mid-term Exam will be administered (2 hours – in class). [Note: A review session may be held prior to exam.]

7. **October 8:** The economic theory of contracts. CG Ch 8.
**Riggs v. Palmer; Curtis v. Anderson.*

8. **October 15:** Contracts, market failure and remedies. CG Ch 9.
*Dice-K Contract for Space Flight; *Hadley v. Baxendale.*

9. **October 22:** Contracts review, gap-filling, specific performance.
**Alcoa v. Essex; Texaco v. Pennzoil.*

10. **October 29:** Tort law and economic theory of tort liability. CG Ch 10.
**Palsgraf v. Long Island RR; United States v. Carroll Towing; McCarty v. Pheasant Run, Inc.*

11. **November 5:** Economic theory of strict liability and negligence. CG Ch 11.
**Fischer v. Red Lions Inns; Helling v. Carey; Escola v. Coca Cola Bottling; Klein v. Pyrodyne Corp.*

12. **November 12:** Tort reform, product liability, insurance, vicarious liability, comparative negligence, and punitive damages. CG Ch 12.
**Liebeck v. McDonald's; Torres v. Reardon; Desert Cab v. Marino.*

13. **November 19:** Economic and ethical analysis of financial system regulation. Materials to be provided on The Owl Space.

14. **November 26: TBD**

15. **December 3:** Comprehensive review; discussion of final exam.

Exam Date to be assigned during December 10-17, 2014.